

**The Scout Association of New Zealand  
National Office  
Financial Statements  
For The Year Ended 30 September 2021**

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**The Scout Association of New Zealand  
National Office  
Statement of Comprehensive Revenue and Expense  
For The Year Ended 30 September 2021**

<b>REVENUE</b>	Note	<b>YE2021</b>	<b>YE2020</b>
		\$	\$
<b>Revenue from Exchange Transactions</b>			
Registration Fees		2,240,573	2,336,654
Administration Fees		5,754	21,913
Scouts Direct Revenue	1	514,598	585,000
Event Revenue	2	584,490	3,263,555
<b>Revenue from Non-Exchange Transactions</b>			
Grants, Sponsorships, Donations	3	721,430	562,522
<b>Other Revenue</b>			
Investment Revenue		101,358	169,832
Other Revenue		<u>143,556</u>	<u>199,584</u>
<b>Total Operating Revenue</b>		<u>4,311,760</u>	<u>7,139,060</u>
<b>EXPENSE</b>			
Accommodation Expense	4	53,577	170,871
Administration Expense	5	480,089	384,958
Audit Fees	6	73,069	68,901
Bad Debts		24,578	(59,823)
Communications	7	23,117	24,886
Fees to World Body & Asia Pacific		23,371	26,071
General Expense		18,641	6,283
Legal fees		15,251	27,163
National Council, Governance, Taskforces	8	39,625	42,330
National Leader Expense		10,940	15,304
National Programmes		98,762	101,063
Publicity	9	54,948	15,143
Rent		54,183	47,312
Scouts Direct Expense	1	464,564	564,982
Event Expense	2	567,010	2,812,590
Staff & Contractor Expense	10	1,727,625	1,685,069
Training Expense		12,863	12,692
Travel		64,587	78,457
Donations		241,620	220,000
Depreciation	12	<u>33,321</u>	<u>63,435</u>
<b>Total Operating Expense</b>		<u>4,081,743</u>	<u>6,307,685</u>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>		<u>230,017</u>	<u>831,375</u>
<b>NON OPERATING ITEMS</b>			
<b>Income/Expenses</b>			
Proceeds from property sales		391,936	62,015
Capital Contributions	13	(167,852)	(4,348)
Software as a Service Configuration/Customisation		(294,363)	(161,950)
<b>NET SURPLUS / (DEFICIT)</b>		<u>159,738</u>	<u>727,093</u>
Other Comprehensive Revenue		-	-
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<u>159,738</u>	<u>727,093</u>

**The Scout Association of New Zealand  
National Office  
Statement Of Movements in Equity  
For The Year Ended 30 September 2021**

	Note	YE2021	YE2020
		\$	\$
Opening Balance		5,901,776	5,174,683
Total Comprehensive Revenue and Expense for the year		159,738	727,093
Closing Balance		<u>6,061,514</u>	<u>5,901,776</u>

**The Scout Association of New Zealand  
National Office  
Statement Of Financial Position  
As at 30 September 2021**

	Note	YE2021	YE2020
Current Assets		\$	\$
Cash & Bank	11	1,589,630	1,587,586
Investments	11	4,670,627	4,170,166
Receivables (from exchange transactions)	14	94,468	177,309
Stock (Scouts Direct)	15	168,044	184,122
Vendor Finance	21	420,000	280,000
Prepayments	16	<u>63,907</u>	<u>45,585</u>
Total Current Assets		7,006,677	6,444,768
Fixed Assets	12	201,404	158,382
Vendor Finance	21	<u>499,632</u>	<u>870,240</u>
Total Fixed Assets		701,036	1,028,622
Total Assets		<u>7,707,713</u>	<u>7,473,390</u>
Less Current Liabilities			
Accounts Payable and Accruals (from exchange transactions)	17	464,276	509,177
Revenue in Advance	18	75,873	10,064
Grants Received in Advance	19	<u>146,060</u>	<u>92,384</u>
Total Current Liabilities		686,209	611,625
Term Liabilities	20	959,990	959,990
Total Liabilities		1,646,199	1,571,614
Total Net Assets		<u>6,061,514</u>	<u>5,901,776</u>
Association Funds			
General Funds		6,061,514	5,901,776
Total Association Funds		<u>6,061,514</u>	<u>5,901,776</u>

For and on behalf of the Board  
The Scout Association of New Zealand - National Office

  
\_\_\_\_\_  
Chief Executive  
Joshua Tabor

  
\_\_\_\_\_  
Chair of the Board  
Sean Gray

15 December 2021  
\_\_\_\_\_  
Date:

15 December 2021  
\_\_\_\_\_  
Date:

**The Scout Association of New Zealand  
National Office  
Statement of Cash Flows  
For The Year Ended 30 September 2021**

	Note	YE2021 \$	YE2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from:			
Registration Fees		2,650,156	2,676,679
Receipts from Customers		581,646	661,722
Receipts School & Event		594,100	2,898,457
Ruapehu Lodge		16,201	(20,777)
Grants, Sponsorships, Donations & Fundraising Campaigns		782,232	583,785
Funds Held on Behalf		0	(62,464)
Other Revenue		139,249	204,981
Payments to suppliers		(1,586,020)	(1,460,811)
Payments for Stock		(221,344)	(312,970)
Payments School & Event		(502,808)	(2,816,781)
Employee costs		(1,570,133)	(1,531,232)
Goods and Services Tax (GST)		(351,328)	(326,321)
Donations		(239,788)	(322,051)
<b>Net Cash Flow from Operating Activities</b>		<u>292,162</u>	<u>172,218</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property		429,833	71,318
Interest received		38,226	125,084
Capital Contributions		(466,991)	(115,296)
Payments for purchase of property, plant and equipment		(70,726)	(49,227)
Vendor Finance		280,000	140,000
Increase in investments		(500,461)	(176,404)
<b>Net Cash Flow from Investing Activities</b>		<u>(290,118)</u>	<u>(4,525)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		2,044	167,693
Cash and Cash Equivalents at Beginning of Year	11	<u>1,587,586</u>	<u>1,419,893</u>
<b>Cash and Cash Equivalents at the End of Year</b>	11	1,589,630	1,587,586

**The Scout Association of New Zealand  
National Office  
Statement Of Accounting Policies  
For The Year Ended 30 September 2021**

### Reporting Entity

The reporting entity is The Scout Association of New Zealand - National Office (SANZ-National Office) which is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013 and includes:

Operational activities of the National Office;  
Trading operations of Scouts Direct and the Ruapehu Scout Lodge;  
Major events (Jamborees, Regattas, Ventures and overseas events); and  
Annual programme activities (National Scout Schools and Rover Moots).

SANZ - National Office also manages funds held on behalf of Regions, Zones and Groups and these balances are included within the reporting entity. Other funds held on behalf of Regions, Zones and Groups have been vested in Trusts which SANZ National Office manages but does not control. These funds are not reported within the reporting entity.

The reporting entity does not include the financial activities of Regions, Zones or Groups as SANZ - National Office, these are included within the Group Consolidated Financial Statements.

### General Accounting Policies

#### *Statement of compliance*

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR"), as appropriate for Tier 2 not-for-profit public benefit entities. They comply with the requirements of The Scout Association of New Zealand Act 1956.

SANZ - National Office qualifies as a Tier 2 reporting entity as the current and prior periods had between \$2m and \$30m operating expenditure.

#### *Measurement basis*

The historical cost measurement base is applied. No adjustment is made for assets that are periodically valued, unless a permanent diminishment in value has occurred.

The accrual basis of accounting is used unless otherwise stated.

The Statement of Comprehensive Revenue and Expense has been prepared on a GST exclusive basis. The Statement of Financial Position has been prepared on a GST exclusive basis except for debtors and creditors at year end.

The Statement of Cash Flows has been prepared on a GST inclusive basis.

The financial statements are prepared on a going concern basis.

#### *Functional and presentation currency*

The financial statements are presented in New Zealand dollars (\$) and are rounded to the nearest dollar.

#### *Use of judgements and estimates*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**The Scout Association of New Zealand  
National Office  
Statement Of Accounting Policies  
For The Year Ended 30 September 2021**

Specific Accounting Policies

*Revenue*

*Revenue from Exchange Transactions*

Registration fees are recognised when they are invoiced.

Administration fees relating to major events and annual activities are recognised when the event or activity occurs.

Fees received in advance of an event or activity occurring are recorded as a current liability and recognised as revenue when the event or activity occurs. Other income relating to events and activities is recognised when it is received.

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

*Revenue from Non-Exchange Transactions*

Grant income is recognised as income when it becomes receivable unless SANZ - National Office has a liability to repay the grant if the requirements of the grant are not fulfilled. A liability is recognised to the extent that such conditions are unfulfilled at the end of the reporting period.

*Other Revenue*

Interest, lease and other investment income is recognised when it is received.

Realised gains from the sale of assets are recognised in the period in which the transaction occurs.

Income from property sales is derived from the sale of The Scout Association of New Zealand properties. Income from property sales is only recognised as income to SANZ - National Office once the Board has determined that the proceeds of the sale can be kept by SANZ- National Office. If it is yet to be determined that the funds can be kept by SANZ - National Office, the proceeds of the sale are held as a liability in Funds Held on Behalf. SANZ- National Office do not own these properties, they administer the sale on behalf of the Board. As such the sale proceeds are only recognised as income if the Board determine that SANZ - National office can keep the proceeds.

All other income is recognised when it is received.

*Employee Benefits*

Short-term employee benefit liabilities are recognised when the entity has a legal or constructive obligation to remunerate employees for services provided within 12 months of the reporting date, and is measured on an undiscounted basis and expensed in the period in which employment services are provided.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in surplus or deficit in the periods during which services are rendered by employees.

**The Scout Association of New Zealand  
National Office  
Statement Of Accounting Policies  
For The Year Ended 30 September 2021**

*Financial Instruments*

The entity initially recognises financial instruments when it becomes a party to the contractual provisions of the instrument.

The entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the entity is recognised as a separate asset or liability.

The entity derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

The entity also derecognises financial assets and financial liabilities when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The entity classifies financial assets into the following categories: held-to-maturity and loans and receivables.

The entity classifies financial liabilities into the following category: amortised cost.

Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs.

Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below.

Held-to-maturity

If the entity has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Held-to-maturity financial assets comprise investments (bank term deposits).

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash & bank, receivables, and recoverables.

Cash & Bank represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of three months or less.

Amortised cost financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities. Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised cost comprise accounts payable, funds held on behalf and term liabilities.

**The Scout Association of New Zealand  
National Office  
Statement Of Accounting Policies  
For The Year Ended 30 September 2021**

*Impairment of non-derivative financial assets*

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the entity on terms that the entity would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the entity, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Financial assets classified as held-to-maturity and loans and receivables

The entity considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the entity uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance account against loans and receivables or held-to-maturity. Interest on the impaired asset continues to be recognised.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

*Inventory*

Inventory is initially measured at cost, except items acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Inventories are subsequently measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

*Property, plant and equipment*

Items of property plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Items of property, plant and equipment are subsequently measured under the cost model: cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

**The Scout Association of New Zealand  
National Office  
Statement Of Accounting Policies  
For The Year Ended 30 September 2021**

*Property, plant and equipment cont:*

Depreciation is provided at rates calculated to allocate the cost of an asset, less any estimated residual value, over its estimated useful life. The following rates and basis are used:

Buildings	3% on a diminishing value basis
Leasehold Improvements	18-40% on a diminishing value basis
Plant & Equipment	15-50% on a diminishing value basis
Motor Vehicles	20% on a diminishing value basis
Furniture & fittings	8-40% on a diminishing value basis
Computer Equipment & IT	16-50% on a diminishing value basis
Land is not depreciated.	

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

Several assets within the Leasehold Improvements and Computer Equipment & IT categories had their useful lives reduced in the year ended 30 September 2021. To understand the monetary effect of this reduction in useful life please refer to note 12.

*Impairment of non-financial assets*

The carrying amounts of the entity's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

*Leases*

Operating leases

Leases that are not finance leases are classified as operating leases. Operating leases are not recognised in the entity's statement of financial position. Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease.

*Events*

The reporting entity does not include the financial activities of Regions, Zones or Groups as SANZ - National Office does not have control.

*Taxation*

SANZ - National Office is a charitable organisation registered with the Charities Commission and is exempt from income tax.

*Association Funds*

Association Funds is the Association members' net financial interest in SANZ-National Office, SANZ-National Office may utilise these funds without reference to any other party.

*Commitments*

Commitments are non-cancellable operating or capital obligations. They are recognised when the obligation becomes non-cancellable.

*Contingent Liabilities*

Contingent liabilities are potential future liabilities. Whether they become liabilities or not is dependent on some event outside the control of SANZ-National Office. Contingent liabilities are recognised at the point at which the contingency is evident. Contingent assets are not recognised.

**The Scout Association of New Zealand  
National Office  
Statement Of Accounting Policies  
For The Year Ended 30 September 2021**

*Comparatives*

Prior year comparatives have been restated due to the IFRS Interpretations Committee (IFRIC) published final agenda decision on accounting for configuration and customisation costs in a Software-as-a-Service (SaaS) arrangement. Accordingly, Scouts Association of New Zealand revised its accounting policy in relation to its SaaS arrangements during the year. See Note 26 for additional detail.

The comparative financial period is 12 months. Comparatives have been reclassified from that reported in the 30 September 2021 financial statements where appropriate to ensure consistency with the presentation of the current year's position and performance.

**The Scout Association of New Zealand  
National Office  
Notes To The Financial Statements  
For The Year Ended 30 September 2021**

	YE2021	YE2020
	\$	\$
Note 1 Scouts Direct		
Income		
Sales	514,487	584,931
Plus interest received	<u>112</u>	<u>68</u>
	514,598	585,000
Less Expenses		
Cost of Sales	244,598	304,857
Stock write off	22,279	36,462
Administration costs	<u>197,687</u>	<u>223,663</u>
	464,564	564,982
Scouts Direct surplus	50,034	20,017
Note 2 Activities and Events		
Total event income	584,490	3,263,555
Total event expenditure	<u>567,010</u>	<u>2,812,590</u>
Net Surplus	17,480	450,965
Major events that occurred during the year were as follows:		
22nd Jamboree		
Income		2,925,397
Less Expenses		<u>2,482,886</u>
	-	442,511
Venture		
Income	-	-
Less Expenses	<u>9,086</u>	<u>7,937</u>
	(9,086)	(7,937)
World Jamboree		
Income	-	-
Less Expenses	<u>2,147</u>	<u>-</u>
	(2,147)	-
Regatta		
Income	137,166	-
Less Expenses	<u>145,695</u>	<u>105</u>
	(8,529)	(105)
Other Events		
Income	447,324	338,157
Less Expenses	<u>410,082</u>	<u>321,662</u>
	37,242	16,496

**The Scout Association of New Zealand  
National Office  
Notes To The Financial Statements  
For The Year Ended 30 September 2021**

Note 3	Details of Grants, Donations, Bequests and Sponsorship Recognised	<b>YE2021</b>	<b>YE2020</b>
	<b>National Office</b>	<b>\$</b>	<b>\$</b>
	Auckland City Council	-	1,500
	Air Rescue and Community Trust	-	10,000
	CERT your local gaming Trust	5,000	-
	Eastern and Central Community Trust	7,500	5,000
	Estate HK Wilkinson	4,500	8,500
	Estate Ruby Amelia Richards	-	36,136
	Estate W J Webber	-	47,755
	Four Winds Foundation Limited	5,000	7,500
	Grassroots Trust Central	5,000	-
	Mainland Trust	4,000	-
	Ministry of Youth Development	62,270	62,279
	New Zealand Community Trust	37,683	7,317
	New Zealand Lottery Grants Board	269,000	215,000
	Rātā Foundation (ex Canterbury Community Trust)	42,500	35,250
	Rotorua Energy Consumers Trust	10,000	10,000
	Southland Trust	-	18,411
	Sport New Zealand	60,006	50,000
	Sundry Donations	1,394	1,875
	Scouts Aoteroa - Regions	149,578	-
	Tauranga Energy Consumers Trust	10,000	10,000
	The Community Trust of Southland	6,000	6,000
	Thomas George Macarthy Trust	12,000	-
	Trust House Foundation Flaxmere	3,000	-
	Trust House Foundation Porirua	6,000	4,000
	Trust House Foundation Wairarapa and Pahiatua	6,000	4,000
	Trust Waikato	12,000	12,000
	Wellington Community Trust	-	6,000
	Whanganui Community Foundation	3,000	4,000
		721,430	562,522

**The Scout Association of New Zealand  
National Office  
Notes To The Financial Statements  
For The Year Ended 30 September 2021**

		YE2021	YE2020
		\$	\$
Note 3 (cont)	The following grants, donations, bequests and sponsorships have been recognised for events and training and are included in the events and training income:		
	Air New Zealand Walsh	20,000	-
	Airways Corporation Walsh	2,400	-
	ASPEQ Walsh	-	5,175
	Chenery Memorial Trust Walsh	3,000	-
	Civil Aviation Authority Walsh	-	2,000
	Earthcare Walsh	2,000	2,000
	Four Winds Foundation Regatta	10,000	-
	Grassroots Trust Regatta	21,000	-
	John Milne Flying Scholarship Walsh	1,000	-
	June Gray Charitable Trust Walsh	3,000	4,000
	Lion Foundation Regatta	40,000	-
	New Zealand Aeronautical Trusts Limited Walsh	-	4,095
	New Zealand Association of Women in Aviation Walsh	-	850
	Nicole Parker Memorial Scholarship Walsh	-	120
	Pub Charity Regatta	50,000	-
	Royal Aeronautical Society Wellington Walsh	-	700
	Royal Aeronautical Trusts Limited Walsh	-	7,750
	Trillian Trust Regatta	20,000	-
	Walsh Opportunity Fund Walsh	-	1,200
	Waypoints Walsh	821	400
		<u>173,221</u>	<u>28,290</u>
	Total Grants, Sponsorships & Donations	894,651	590,812
Note 4	Accommodation Expenses		
	Power	5,023	3,719
	Rates	3,085	46
	Cleaning	8,019	4,966
	Insurance	29,134	25,750
	Maintenance	8,316	136,390
		<u>53,577</u>	<u>170,871</u>

**The Scout Association of New Zealand  
National Office  
Notes To The Financial Statements  
For The Year Ended 30 September 2021**

	YE2021	YE2020
Note 5 Administration Expenses	\$	\$
Assets Under \$500	13,772	6,555
Computer Expenses	35,103	40,983
Office Supplies	5,332	4,154
Photocopying	5,706	7,284
Postage/Couriers	9,646	8,761
Loss on disposal of Fixed Assets	0	6,269
Other	56,684	54,615
OSM License, Membership Fees & Development Costs	<u>353,846</u>	<u>256,337</u>
	480,089	384,958
Note 6 Audit		
National Office	22,052	20,961
Group Consolidation	<u>51,018</u>	<u>47,940</u>
	73,069	68,901
Note 7 Communications		
Telephone	14,822	16,752
Internet	<u>8,295</u>	<u>8,134</u>
	23,117	24,886
Note 8 National Council, Governance, Taskforces		
Regional Forums, RDM & Zone Leader meetings	14,762	12,760
National Council	0	15,403
Governance	24,863	13,421
Taskforces (H&S, YDP, ADP, One Bank, VCIO)	<u>0</u>	<u>747</u>
	39,625	42,330
Note 9 Publicity, Campaigns, Resources		
Includes brand and website design	54,948	15,143
Note 10 Staff & Contractor Expenses		
Payroll	1,416,418	1,396,552
Kiwisaver	36,076	34,638
ACC Levies	3,598	3,685
Contractor Costs (Temporary staffing)	232,617	203,715
Uniforms	602	1,133
Recruitment	6,000	27,002
Other (Staff Development & Support)	<u>32,314</u>	<u>18,344</u>
	1,727,625	1,685,069
Note 11 Cash & Bank		
National Office	1,195,723	1,306,505
Scouts Direct	282,696	201,236
Major & National Events and Schools	<u>111,211</u>	<u>79,844</u>
Total Bank Balances	1,589,630	1,587,586
Investments		
National Office	3,710,637	3,210,176
Bank Deposits Held on Behalf of Regions, Zones and Groups	<u>959,990</u>	<u>959,990</u>
Total Investments	4,670,627	4,170,166

**The Scout Association of New Zealand  
National Office  
Notes To The Financial Statements  
For The Year Ended 30 September 2021**

Note 12 Fixed Assets

	WIP	Buildings	Leasehold Improvements	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Computer Equipment & IT	Total
<u>Cost or Valuation</u>	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at 1 Oct 2020	0	110,440	155,186	126,522	12,460	28,078	66,953	499,639
Additions (exchange)	6,260	7,492	0	762	1,174	55,292	4,589	75,568
Additions (non-exchange)	0	0	0	0	0	0	0	0
Disposals (exchange)	0	(906)	(3,385)	(50,543)	0	0	(1,407)	(56,241)
Disposals (non-exchange)	0	0	0	0	0	0	0	0
Balance as at 30 Sep 2021	6,260	117,026	151,801	76,740	13,634	83,370	70,135	518,967
<u>Accumulated depreciation and impairment</u>								
Balance as at 1 Oct 2020	0	62,531	146,967	76,427	7,996	5,975	41,361	341,257
Disposals (exchange)	0	(872)	(12,503)	(50,361)	0	0	(1,319)	(65,055)
Depreciation	0	1,869	6,152	9,767	1,755	9,057	12,761	41,361
Balance as at 30 Sep 2021	0	63,528	140,615	35,833	9,751	15,032	52,803	317,563
<u>Net book value</u>								
As at 1 Oct 2017	0	56,326	46,789	9,468	4,134	24,000	30,112	170,829
As at 30 Sep 2018	45,000	51,739	45,702	3,976	2,798	15,360	81,683	246,258
As at 30 Sep 2019	45,550	49,751	41,678	2,644	5,035	27,629	86,054	258,340
As at 30 Sep 2020	0	47,910	8,219	50,094	4,464	22,104	25,591	158,382
As at 30 Sep 2021	6,260	53,499	11,186	40,907	3,883	68,338	17,332	201,404

Depreciation reported on page 1 is made up of the National Office \$33,321; (2020 \$63,435), this includes the effect of a reduction in the useful life of a number of assets. The reduction in useful life of some Leasehold Improvements assets, specifically office fitout assets associated with the National Office, has increased depreciation by \$16,121; (2020 \$25,957). All other depreciation is recorded within the event or activity concerned.

Buildings include Ruapehu Lodge. Council capital valuation (which may not be the market value of the property) of Ruapehu Lodge was valued as at 1 July 2011 by Quotable Value New Zealand at \$542,000.

WIP is in relation to National Office leasehold improvements \$6,260; (2020 \$Nil).

The above Fixed asset note for as at 30 September 2021 has been restated due to the IFRS Interpretations Committee (IFRIC) published its final agenda decision on accounting for configuration and customisation costs in a Software-as-a-Service (SaaS) arrangement. Accordingly, Scouts Association of New Zealand revised its accounting policy in relation to its SaaS arrangements during the year. See Note 26 for additional detail.

**The Scout Association of New Zealand  
National Office  
Notes To The Financial Statements  
For The Year Ended 30 September 2021**

	YE2021	YE2020
	\$	\$
Note 13 Capital Contributions		
Payments to Scout Groups for building upgrades	95,000	4,348
Demolition of Scout Halls	<u>72,852</u>	<u>-</u>
	167,852	4,348
Note 14 Receivables (from exchange transactions)		
National Office Debtors	141,478	202,158
Scouts Direct	14,242	14,345
Less Provision for doubtful debts	<u>(61,252)</u>	<u>(39,194)</u>
	94,468	177,309
Note 15 Stock		
Cost	201,044	199,122
Less Provision for obsolete/discontinued stock	<u>(33,000)</u>	<u>(15,000)</u>
Carrying Value	168,044	184,122
Note 16 Prepayments		
National Office	63,168	45,585
Scouts Direct	<u>738</u>	<u>-</u>
Total Prepayments	63,907	45,585
Note 17 Accounts Payable and Accruals		
National Office	411,569	477,322
Scouts Direct	<u>52,707</u>	<u>31,855</u>
Total Accounts Payable and Accruals	464,276	509,177
Note 18 Revenue in Advance		
Major Events	55,551	0
Annual Activities	<u>20,322</u>	<u>10,064</u>
Total Revenue in Advance	75,873	10,064

**The Scout Association of New Zealand  
National Office  
Notes To The Financial Statements  
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Note 19 Grants Received in Advance	Opening Balance	Transfers In	Transfers Out	Closing Balance
Name of Grant	\$	\$	\$	\$
New Zealand Community Trust	37,683	50,000	(37,683)	50,000
CERT your local gaming Trust	5,000	-	(5,000)	-
Ministry of Youth Development	46,701	31,135	(62,270)	15,566
Sport NZ	-	97,500	(60,006)	37,494
NZ Lotteries	-	307,000	(269,000)	38,000
Vogelmorn Foundation	-	5,000	-	5,000
Whanganui Community Foundation Trust	3,000	-	(3,000)	-
<b>Total</b>	<b>92,384</b>	<b>490,635</b>	<b>(436,959)</b>	<b>146,060</b>

Grants received for specific purposes have been treated as current liabilities. If a grant is not used for its specified purpose it is repayable to the grantor.

Note 20 Term Liabilities	<b>YE2021</b>	<b>YE2020</b>
	\$	\$
Funds held on behalf	959,990	959,990

National Office holds specific funds on behalf of the Regions, Zones and Groups. These are held in Term Deposits.

**Note 21 Vendor Finance**

As part of a sales contract for land and buildings concluded in May 2019 a payment schedule was entered into, with an immediate upfront lump sum payment, and the remaining balance to be paid by way of four annual installments concluding in May 2023. The Loan has been recognised at a fair value of \$919,632, (2020: \$1,150,240), which is the amount of the loan discounted by the prevailing market interest rate for a similar instrument. Interest revenue is recognised over the term of the loan.

**Note 22 Commitments**

Obligations payable after balance date on Non-Cancellable Agreements, Leases, Hire Purchase Agreements and Stock are: (all commitments are disclosed exclusive of GST)

	<b>YE2021</b>	<b>YE2020</b>
	\$	\$
Not later than one year	233,682	334,266
Later than one year and not later than five years	273,569	337,150
Later than five years	<u>0</u>	<u>0</u>
<b>Total</b>	<b>507,251</b>	<b>671,416</b>
 Stock - Scouts Direct		
Not later than one year (NZ Uniforms)	<u>2,520</u>	<u>44,249</u>
<b>Total</b>	<b>2,520</b>	<b>44,249</b>
 <b>Total Commitments</b>	<b><u>509,771</u></b>	<b><u>715,665</u></b>

**The Scout Association of New Zealand  
National Office  
Notes To The Financial Statements  
For The Year Ended 30 September 2021**

Note 23 Related Party Transactions

SANZ - National Office is separate from, but related to, the activities of Regions, Zones and Groups. The policies and rules under which those units operate are established by the Board and SANZ-National Office. Some members of the Board Committee hold management positions at Region or Zone level. SANZ-National Office is funded, in part, from registration fees paid by Groups.

	YE2021	YE2020
	\$	\$
Invoiced to Groups - Registration Fees	2,240,573	2,336,654
Outstanding Registration Fees at Balance Date	123,439	198,603
Outstanding Regions, Zones and Groups - Other at Balance Date	0	0
Donations from Regions	149,578	0

See Note 20 for other funds held in term deposits on behalf of Groups.

SANZ - National Office is related to The Scout Youth Foundation (the Foundation) by way of having common objectives and some common officers, SANZ-National Office provides administration support to the Trustees of the Foundation and promotes membership of the Foundation and paid donations too the Foundation. SANZ - National Office granted the Foundation \$127,000 (2020; \$220,000) for the year ended 30 September 2021, \$Nil of which was outstanding as at balance date (2020:\$Nil).

SANZ - National Office is related to Senator Risk Management NZ as the principal of this entity is also a board member of SANZ. Senator Risk Management NZ are insurance brokers. SANZ paid Senator Risk Management NZ for the provision of insurance \$47,397 (2020: \$45,345) for the year ended 30 September 2021.

Key Management Personnel Remuneration

The entity classifies its key management personnel into one of two classes:

- Members of the governing body
- Chief Executive and Executive Leadership Team

Members of the governing body are volunteers and therefore are not paid an annual fee.

Chief Executive and Executive Leadership Team are employees of the entity on normal employment terms. Aggregate remuneration and number of people, measured as full-time equivalents (FTE's) is:

	2021		2020	
	\$	FTE's	\$	FTE's
Chief Executive & Executive Leadership Team	548,000	4.0	523,500	4.0

Note 24 The Scout Association of New Zealand (SANZ) Financial Statements

As stated in the reporting entity paragraph, these financial statements are for the National Office of SANZ. The Board has decided to prepare financial statements for SANZ itself (which includes all Regions, Zones, Group and other controlled entities).

The Board will prepare a separate set of financial statements for the whole of SANZ, and file these with Charities Services, for the year ending 30 September 2021. This will require consolidating the financial statements of all the entities controlled by SANZ (including Regions, Zones, Groups and Trusts).

**The Scout Association of New Zealand  
National Office  
Notes To The Financial Statements  
For The Year Ended 30 September 2021**

Note 25 Financial Instruments

**Classification and fair value of financial instruments**

The tables below show the carrying amount of the entity's financial assets and financial liabilities as at 30 September 2021.

	Carrying Amount			Total
	Financial Assets		Financial Liabilities	
<b>2021</b>	Held to maturity	Loans and receivables	Amortised cost	
	\$	\$	\$	\$
Cash & Bank		1,589,630		1,589,630
Investments	4,670,627			4,670,627
Receivables		94,468		94,468
Vendor Finance	919,632			919,632
Payables			(194,423)	(194,423)
Term Liabilities			(959,990)	(959,990)
Funds Held on Behalf			0	0
<b>2020</b>	Held to maturity	Loans and receivables	Amortised cost	Total
	\$	\$	\$	\$
Cash & Bank		1,587,586		1,587,586
Investments	4,170,166			4,170,166
Receivables		177,309		177,309
Vendor Finance	1,150,240			1,150,240
Payables			(192,224)	(192,224)
Term Liabilities			(959,990)	(959,990)
Funds Held on Behalf			0	0

\*All carrying amounts approximate fair value

Note 26 Changes to Accounting Policies

During the year, the IFRS Interpretations Committee (IFRIC) published its final agenda decision on accounting for configuration and customisation costs in a Software-as-a-Service (SaaS) arrangement. Accordingly, Scouts Association of New Zealand revised its accounting policy in relation to its SaaS arrangements during the year as follows:

Software-as-a-Service (SaaS) arrangements are service contracts providing Scouts Association of New Zealand with the right to access the software provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the software provider's application software, are recognised as operating expenses when the services are received.

Historical financial information has been restated to account for the impact of this change in accounting policy is as follows:

	<b>2020 Amount per previous Financial Statements</b>	<b>2020 Amount per revised Financial Statements</b>	<b>Difference</b>
<b>Statement of Comprehensive Revenue and Expense</b>			
Amortisation Expense	125,143	63,435	(61,708)
Software as a Service Configuration/Customisation	0	161,950	161,950
Total Comprehensive Revenue and Expense	827,334	727,093	(100,241)
<b>Statement of Financial Position</b>			
Fixed Assets	315,686	158,382	(157,304)
Closing Net Assets/Equity	6,059,080	5,901,776	(157,304)
Opening Net Assets/Equity	5,231,745	5,174,683	(57,062)

**The Scout Association of New Zealand  
National Office  
Notes To The Financial Statements  
For The Year Ended 30 September 2021**

Note 27 Subsequent Events

The 29th Regatta to be run from the 28th of December 2021 to the 7th of January 2022, was cancelled on the 13th of October 2021. This cancellation has no material effect on the 2021 financial statements, but will have a \$35,000 effect on the 2022 financial statements.

Note 28 COVID-19

On August 17, 2021, the New Zealand Government moved to level 4 COVID 19 restrictions for the entire country. Due to the social distancing rules in place when the country was at Alert Levels 3 and 4, Scout Groups were unable to meet face to face, and events were cancelled. The economic uncertainties that the COVID-19 pandemic has generated are likely to negatively affect our operations and services.

The main possible effects that we have identified on the Association as a result of the COVID-19 pandemic are;

Ability to Run events and group activities  
Impact on subscriptions that will be received  
Valuation of land and buildings.  
Valuation of Investments

While it is difficult to determine the long term financial effect of the COVID 19 Pandemic, the National Office continues to operate and believes it has the ability to manage quite significant fluctuations in trading conditions with a strong balance sheet (Working Capital of \$6,320,468 and no significant debt). The Board have therefore assessed there is no going concern impact on the National Office as at the date of these financial statements.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF THE SCOUTS ASSOCIATION OF NEW ZEALAND**

**Opinion**

We have audited the financial statements of The Scouts Association of New Zealand National Office (“the National Office”), which comprise the statement of financial position as at 30 September 2021, and the statement of comprehensive revenue and expense, statement of movements in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the National Office as at 30 September 2021 and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (“PBE Standards RDR”) issued by the New Zealand Accounting Standards Board.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (“ISAs (NZ)”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the National Office in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the National Office.

**Board’s Responsibilities for the Financial Statements**

The Board are responsible on behalf of the National Office for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible on behalf of the National Office for assessing the National Office’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the National Office or to cease operations, or have no realistic alternative but to do so.

**Auditor’s Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>.

This description forms part of our auditor's report.

#### **Who we Report to**

This report is made solely to the Scouts Association of New Zealand's members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the National Office and the Scout Association of New Zealand's members, as a body, for our audit work, for this report or for the opinions we have formed.

*BDO Wellington Audit Limited*

**BDO WELLINGTON AUDIT LIMITED**

Wellington

New Zealand

15 December 2021